



Comptroller General  
of the United States  
Washington, D.C. 20548.

Gorczycki

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## Decision

**Matter of:** PAI Corporation  
**File:** B-253203.2; B-253203.3  
**Date:** August 26, 1993

John J. O'Brien, Esq., and Richard J. Webber, Esq., Arent, Fox, Kintner, Plotkin & Kahn, for the protester.  
Matthew S. Simchak, Esq., Philip J. Davis, Esq., and Scott A. Coffina, Esq., Wiley, Rein & Fielding, for SRA Technologies, Inc., an interested party.  
Prentis Cook, Jr., Esq., Department of Energy, for the agency.  
Henry J. Gorczycki, Esq., and James A. Spangenberg, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

### DIGEST

Agency's decision to award a cost-reimbursement contract in a best value procurement to a higher evaluated cost, technically superior offeror is reasonable and consistent with the evaluation criteria where the evaluated technical superiority in the area of proposed core personnel, which was the primary subcriterion of the most important evaluation criterion, was reasonable and supported by the record; cost was the least important evaluation factor; and the source selection authority specifically determined that the evaluated superiority outweighed the difference in cost.

### DECISION

PAI Corporation protests an award to SRA Technologies, Inc. under request for proposals (RFP) No. DE-RP01-92DP20156 issued by the Department of Energy (DOE) for specialized technical and administrative support services to support the mission of the Office of the Deputy Assistant Secretary for Military Application (DASMA) to manage the nuclear weapons program, the inertial fusion program, and the nuclear materials forecasting and management program. PAI argues that DOE did not reasonably evaluate its proposal in accordance with the stated evaluation criteria and did not conduct a proper cost-technical tradeoff analysis.

We deny the protest.

DOE issued the RFP on April 6, 1992, contemplating the award of a cost-plus-fixed-fee, level-of-effort, task-assignment-type contract for a base period of 3 years with an option for an additional 2 years. The RFP instructed offerors to include in their proposals separate volumes for business management, technical and cost. The RFP stated that award would be made to the "responsible offeror(s), whose offer(s), conforming to this RFP, is (are) considered most advantageous to the [g]overnment, considering the evaluation criteria contained in this [s]ection M." Section M stated that "[t]he [b]usiness and [m]anagement proposal is more important than the technical proposal which is more important than the cost proposal." Section M also defined the business and management and technical evaluation criteria, and stated their relative weights as follows:

Business and management criteria:

- (A) core personnel was twice as important as
- (B) corporate experience and commitment, which was more important than
- (C) project organization and management, which was twice as important as
- (D) non-core personnel.

Technical criteria:

- (A) understanding the requirement was considerably more important than
- (B) quality control, which was twice as important as
- (C) training

The Source Evaluation Board (SEB) evaluated proposals and assigned point scores for each evaluation criterion. With regard to the core personnel criterion--which turned out to be the primary business/management difference between the proposals--the RFP stated that core personnel would be evaluated based on the proposed personnel's educational, work experience and professional backgrounds. Cost was to be evaluated for probable cost to the government but was not to be assigned a score.<sup>1</sup>

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<sup>1</sup>Although cost was the least important evaluation factor, the RFP advised offerors that probable cost to the government could be the deciding factor for selection if the agency determined that the difference in evaluated probable cost outweighed any evaluated difference in the more heavily weighted, non-cost factors between competing proposals.

Three offerors, including PAI and SRA, submitted initial proposals by the closing date of June 4. DOE evaluated initial proposals and conducted several rounds of discussions with all three offerors. On March 5, 1993, DOE requested best and final offers (BAFO). All three offerors submitted BAFOs by the closing date of March 12. The scores from PAI's and SRA's initial and final evaluations, and the evaluated cost of their BAFOs are presented below:

<u>Criteria</u>	<u>SRA</u>	<u>PAI</u>
<b>Business/Management Proposal:</b>		
A (300) <sup>2</sup>	240/240 <sup>3</sup>	150/150
B (150)	130/150	130/150
C (100)	80/80	80/80
D (50)	50/50	40/40
Sum (600)	500/520	400/420
<b>Technical Proposal:</b>		
A (250)	250/250	200/250
B (100)	80/80	80/80
C (50)	40/40	40/50
Sum (400)	370/370	320/380
<b>Total (1,000)</b>	<b>870/890</b>	<b>720/800</b>
<b>Probable BAFO Cost</b>	<b>\$28,648,445</b>	<b>\$25,327,255</b>

The DOE Source Selection Official (SSO) reviewed the agency's evaluation of the proposals and accepted the results. The SSO determined that SRA's overall superiority in the non-cost factors, particularly its superiority in its proposed core personnel, outweighed the difference in probable cost between SRA's BAFO and the other, lower cost BAFOs. Based on this cost-technical tradeoff analysis, the SSO determined that SRA's BAFO represented the most advantageous offer to the government and selected SRA for award. DOE awarded a contract to SRA on April 16.

PAI protested that DOE's cost-technical tradeoff analysis was inadequate and based on unreasonable evaluations, particularly with regard to the core personnel, and that

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<sup>2</sup>The number in parentheses represents the maximum possible weighted score for that criterion.

<sup>3</sup>The first number is the score for the initial proposal and the second score is for the BAFO.

PAI's lower priced, technically acceptable offer would have been selected under a proper evaluation.<sup>4</sup>

Evaluating the relative merits of competing proposals is a matter within the discretion of the contracting agency since the agency is responsible for defining its needs and the best method of accommodating them. Marine Animal Prods. Int'l, Inc., B-247150.2, July 13, 1992, 92-2 CPD ¶ 16. In reviewing an agency's evaluation, we will not reevaluate proposals but instead will examine the agency's evaluation to ensure that it was reasonable and consistent with the stated evaluation criteria and with applicable statutes and regulations. Id.; Environmental Health Research & Testing, Inc., B-237208, Feb. 9, 1990, 90-1 CPD ¶ 169. In a negotiated procurement, award may be made to a higher rated, higher priced offeror where the decision is consistent with the RFP's evaluation factors and the agency reasonably determines that the technical superiority of the higher cost offer outweighs the price difference. Grey Advertising, Inc., 55 Comp. Gen. 1111 (1976), 76-1 CPD ¶ 325; Environmental Health Research & Testing, Inc., supra. A protester's mere disagreement with the agency does not render the evaluation unreasonable. Marine Animal Prods. Int'l, Inc., supra; Environmental Health Research & Testing, Inc., supra. As discussed below, DOE's evaluation of the proposals and selection of SRA's higher rated, higher priced proposal for award was reasonable and consistent with the evaluation factors stated in the RFP.

SRA received a total evaluation score that was 90 points higher than the score received by PAI, the next highest rated offeror. This difference is generally attributable to the evaluated difference of 90 points between the core personnel proposed by these two offerors.<sup>5</sup> The core personnel included the project manager and nuclear physicists. While SRA was considered to have a significant strength,

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<sup>4</sup>PAI's initial protest also raised other issues concerning such matters as the adequacy of discussions and an alleged conflict of interest. In its report on the protest, DOE fully addressed and defended its position on all of these other issues initially raised by PAI. In its comments on the agency report, PAI did not address these issues. Under the circumstances, we consider PAI to have abandoned these other issues and will not consider them. See Hampton Roads Leasing Inc., 71 Comp. Gen. 90 (1991), 91-2 CPD ¶ 490.

<sup>5</sup>As indicated above, SRA's and PAI's BAFO scores for core personnel did not change from the scores the agency assigned to their initial proposals.

and one weakness<sup>6</sup> in core personnel, the SEB found two significant weaknesses and no significant strengths in PAI's proposed core personnel.<sup>7</sup>

The most significant weakness in PAI's BAFO was its proposed project manager. PAI initially proposed a project manager whom the SEB considered to be lacking in experience in managing a diverse group of functions similar to that of DASMA's mission. After discussions, PAI proposed a new project manager. The SEB found:

"Although proposed [p]roject [m]anager has been changed, new [project manager] has limited experience in broad range of weapons program matters."

The resume which PAI submitted for this new project manager included the following statement:

"[The proposed project manager] has more than 18 years of program and project management experience which includes more than 7 years managing DOE programs with complexities equivalent to those of the proposed program." [Emphasis added.]

An attachment to the RFP set forth minimum qualifications for the various personnel, including project manager qualifications requiring "at least 10 years experience in the management of (major) similar technical and institutionally complex programs, with at least [5] years experience managing federally-supported projects." The statement in the resume, referring to only 7 years of managing programs of equivalent complexities, falls short of establishing that the proposed project manager has at least 10 years experience managing technical and institutionally complex programs similar to DASMA's programs, and the resume does not otherwise establish that this individual possessed the requisite experience. Thus, we find the SEB's conclusion that PAI's proposed project manager's experience was a significant weakness is reasonably based.<sup>8</sup>

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<sup>6</sup>The weakness was that SRA's core personnel had "somewhat limited" depth in two specific categories of nuclear weapons experience.

<sup>7</sup>The initial evaluation noted four weaknesses in the core personnel. Two of the weaknesses were not mentioned in the BAFO evaluation documentation.

<sup>8</sup>In contrast, the SEB found that SRA's "[p]roject [m]anager is excellent with good personal background in DASMA func-  
(continued...)

The second significant weakness in PAI's proposal was that PAI's proposed nuclear physicists did not have the advanced degrees in nuclear physics. The record shows that the RFP required such degrees and that PAI's proposed nuclear physicists did not have them. Thus, PAI's proposed nuclear physicists' educations were properly considered a weakness.

The core personnel scores given by the SEB were the equivalent of a "satisfactory" rating for PAI (150 points) and a "good" rating for SRA (240 points).<sup>9</sup> Since SRA's proposed project manager was better qualified than PAI's and since SRA had fewer weaknesses than PAI, the SEB reasonably gave SRA a higher rating for core personnel.

PAI argues that the score it received for core personnel was unreasonable because its BAFO score was no higher than its initial score despite the improvements in its BAFO. In this regard, PAI notes that its BAFO evaluation stated half the number of weaknesses for core personnel as did its initial proposal evaluation and that it proposed a different project manager in its BAFO. DOE explains, and our review confirms, that the two weaknesses not mentioned in the BAFO evaluation documentation still existed, but were considered so minor that they were not worthy of mention. With regard to the two weaknesses which DOE did mention in its evaluation of both PAI's initial proposal and BAFO regarding the project manager and nuclear physicists, the evaluators acknowledged PAI's changes to its proposal, but, as discussed above,

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<sup>8</sup>(...continued)

tions and good track record as [project manager] for the last 5 years." Our review of SRA's BAFO shows that SRA, the incumbent contractor, proposed as project manager the incumbent project manager for these solicited services who had over 25 years of experience managing "complex military programs, particularly those related to nuclear weapons."

<sup>9</sup>The SEB developed a rating plan which provided for five different scores on a numerical/adjectival scale for each criterion as follows:

Outstanding	-	10 points
Good	-	8 points
Satisfactory	-	5 points
Marginal	-	2 points
Unacceptable	-	0 points


The rating plan also assigned each criterion a weight factor corresponding to its relative weight stated in the RFP. The score for each criterion was multiplied by the corresponding weight factor to produce the weighted score for that criterion. This rating plan was not disclosed in the RFP.

determined that these weaknesses continued to exist despite the changes.

In making the cost/technical tradeoff, the SSO, after reviewing the point scores and the underlying evaluations, expressly determined that SRA's evaluated superiority was worth its higher probable cost. The SSO found significant the difference in business management proposal scores, particularly in the degree of experience between the proposed project managers. Since the core personnel evaluation criterion was the most important criterion for the business management proposal, which was the most important evaluation factor, and since cost was the least important factor, the decision to award to SRA, based on this evaluated superiority, was reasonable and consistent with the RFP.<sup>10</sup>

The protest is denied.



 James F. Hinchman  
General Counsel

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<sup>10</sup>PAI also contends that the agency improperly referenced the physical location of PAI's president and various non-core personnel. PAI asserts that these were unstated evaluation criteria. While our review of the record shows that the downgrading in these areas was reasonable and consistent with the RFP, these weaknesses were relatively minor and did not have a significant impact on the source selection. Thus, we need not discuss this issue further.